Nigeria's Rentier State and the Praxis of Underdevelopment and Insecurity

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Abstract
Oil shows an unbearable contradiction to Nigeria through huge wealth and means of patronage for Nigeria as a rentier State and the transnational oil companies while Nigerians are left in the gallows of poverty and misery, stumbling in condition of despondency and hopelessness. This study explored the challenges to Nigeria's developmental drive as occasioned by the rentier nature of the Nigeria's economy. Oil has become the singular major source of foreign exchange earnings. The mono economy created a condition that hampers Nigeria's ability to effectively diversify the nation's economy and provide the desired developmental opportunities needed for its teeming populace. The paper utilised secondary sources of data collection and documentary analysis as its methodology using content analysis. Using rentier state theory as an explanatory analytical means, the paper established that the implications of mono produce state and economy bolstered selfishness among the populace in addition to other establishments; and nurtured dependency on cheaper pecuniary advantages thus, rendering the state unreasonably centralised, unresponsive to its citizens, and corruption personified. It concluded that Nigeria's over dependence on revenue from oil if not properly addressed, will cause sharp socioeconomic downturns, political instability and underdevelopment.

Keywords: Rentier State, Development, Developmental Challenges, Insecurity

Introduction

Nigeria's several ages of considerable economic production have not yielded the much-anticipated notable socioeconomic development (Castillo, 2021). Right from the period of colonisation till today numerous progressive strategies were introduced by numerous governments besides adopting innumerable internationally driven prescription of development blueprints by the Bretton Woods Institutions, the character of Nigeria's political economy, has obstructed developmental drives in the country (Akinde, 2011). The Nigerian state which has always negated meaningful development as a result of bad governance due to imperialism and the endemic corruption by its leaders (Akinde, 2011).

The rentier nature of Nigeria's political economy also serves as obstacles toward the genuine realisation of the country's developmental agenda commensurate with the anticipated results continues to baffle the electorates. In fact, the 2019 report by the National Bureau of Statistics (NBS) revealed that the poverty rate across the country surpasses the time before oil became a thriving commodity in 1970's (Castillo, 2021). This indicates that despite series of political and military leadership in the country nothing has changed the rentier nature of the nation's leadership, in addition to the economy continued to be underdeveloped thereby affecting her national security as over 130 million of the population multidimensionally poor.

Despite the fact that some foreign and indigenous private sector investors recorded far reaching and encouraging gains, the rentier economy remains undemocratic and a threat to peace than it was during the start of the 21st century that the world had a dawn of natural resources. To be precise, Nigeria became vulnerable as a result of social discontent, deteriorating revenue, economic stagnation, spiralling exchange conversion rate, energy crisis and difficulty in livelihood situation of the citizens.

These socioeconomic disorders have negatively affected security and practically defied development initiatives popularly known as “Resource Curse or Dutch Disease”. Resource Curse or Dutch Disease are usually utilised interchangeably, even though not meaning similar things. The last denotes an economic term that is simplistic and shallow in definition. It signifies a means that results in an economic prosperity in a nations natural endowment that witnessed sharp weakening in her industrial base in addition to its agronomic subdivisions.?As resources subdivision booms, labour is stolen from industrial and agricultural sectors of the economy while floating the cost of production.

Therefore, because of money ensuing as a result of the bloom begins to flow in, it increases exchange rate, hence, rendering imports highly inexpensive than local manufacturing. The Dutch Disease renders several businesses ineffective as well as reducing some services like that of oil companies through contracts. An economy dependent on oil struggles less in aiding other sectors of the economy while allowing other industries to be susceptible (Castillo, 2021). The rentier economy has equally assisted in promoting bad governance, corruption under the pretext of subsidy for oil, manipulation of the conversion rate, theft of oil as exemplified in the Niger-Delta region, and rendering it a major corridor for weapons spread that are usually used by armed groups in perpetrating mayhem and violence in several parts of Nigeria. The oil economy brings about the sheer neglect of other non-oil sources of revenue like the agronomic sector, mining, tourism, manufacturing and so forth. It is against this backdrop that this paper explores the effects of Nigeria's rentier on development and security.

Methodology

The paper deployed the usage of archival research procedure in collecting data by overwhelmingly resorting on materials from text books, journals, periodicals, internet among others to examine the character of Nigeria's of rentier state and economy and the praxis of underdevelopment and Insecurity that the country is confronted with.

Conceptual Discourses

The term rentier state was devised by Hossein Mahdavy in 1970. In an attempt at providing a clarification on the challenges faced by oil dependent Iran. His thoughts were additionally advanced and used by some intellectuals researching on the Arabian nation-states (e.g., Beblawi & Luciani, 1987), African countries (e.g., Yates, 1996; Omeje, 2008), in addition to Latin America (Yates, 2015). The development of novel oil states in the 1970s as well as their elevation to the forefront of the global trade and investment wired the notion of rentier economies. A bonus of capital in addition to unparalleled scale in no time revitalised the awareness of undeserved proceed earnings in the name of rentier economies (Beblawi, 1987).

Far from a mare disapproving concept, the term rentier state represents a multifaceted related thoughts about undesirable development pattern in economies characterised by external rent, predominantly oil rent, across emerging countries (Yates, 2015). Beblawi & Luciani in (Agbo & Okoli, 2017), sees a rentier state as a categorising of nations that are entirely or a considerable percentage of her proceeds accrue from rental fees from foreign customers thus, creating a rentier mind-set and likewise entrenching a rentier class in the nation-states. The rentier economy is an economy that is principally contingent upon amassing external incomes regarded as rents from the sales of gifts of nature such as oil, gas, and other mineral resources (Castillo, 2021).

Thus, any state that is considerably at the mercy of external rent from selling oil, transportation fares, or leisure industry can be qualified to be called a rentier state. As rentier economy relies principally on revenues from resource rents or a conquered territory; state funds are not noncongruence with national productivity (Lewis, 2006). A rentier state is regarded as a state that earns over 55% of its income as a result of levies from non-tax bases and whose economy is restrained to exporting a single commodity. All most all, rentier economies are vulnerable to harsh fiscal crisis as a result of exhaustion of state rents (Akinde, 2011). One major challenge of rentier states is, consequently, the circulation of capital in contrast to pulling out rent from the people in the form of taxes (Kaya, et al., 2019).

Whether the state obtain these revenues through selling raw materials or meeting the provision of strategic services or by imposing taxation (Ouchenane, 2021), rentier states gather large share of their revenues from outside the country in order to manage state affairs (Losmon, 2010). Since substantial part of the state revenue is not obtained through huge labour in the local economy, the creation of wealth is centred on a small fraction of the society; the rest of the society only engages in the distribution and utilisation of this wealth (Beblawi, 1987).

Consequently, democratic transformation and development of the society becomes impeded (Ouchenane, 2021). A rentier economy and a rentier state establishes a rentier mindset that unpleasantly distresses the state's economic fortune as well as its overall potentials (Mbao & Osinibi, 2014). Based on the ensuing opinions, the conclusions on a rentier state are that vast majority of its earnings does not accumulate from internally generate revenue through taxes on production endeavours like farm produce, manufacturing and services performed by its productive and viable citizens. Instead, the rentier state lives by collecting a convenient income from sources into which it invests little or nothing.

Rent comes in without opportunity costs, and if it comes in a centralised form as in the case of oil (Adogamhe, 2009). In the same vein, Guzowski (2013) further conjures that a state can be termed as rentier country, if rent conditions preponderate the economy, its budget, bank on huge outward rent, with fewer fraction of her citizens engaged in the creation of rent and the state is foremost beneficiary of the external rent. In that regard, rentier state is a state with a mono economic resource as the main stay of her economic livelihood and sustenance.

On the other hand, before reviewing the concept of underdevelopment, the concept of development will first and foremost be reviewed. Development as a term in social sciences is a disputed concept, it is disputed academically as well as governmentally, its integrally multipart beside it being vague. It connotes differently to many pundits, it is conditioned based on their intelligence, philosophical principles and inclination (Ereibi, 2011). As such, the extents of progress are tremendously varied, as well as socioeconomic, cum political, lawful and official structures, expertise, the atmosphere, faith, arts and values among others. For illustration, the desire of a population challenged by hunger is not the same with those that have attained food security.

Development is not a unilinear process, it is multifaceted and contiguous on the socioeconomic wellbeing of the people and political development toward the provision of good life. According to Rodney (1986) development is a multidimensional process involving many aspects of human endeavours. Development connotes diverse things at the personal level and at the group level as well. He further stressed that at the personal level it connotes evolving aptitude and skills, better self-determination, inventiveness, restraint, accountability as well as the provision of welfare packages to the citizens. To the social groups, it infers increment in capability in regulating foreign and local relations.

Development was hitherto perceived as the ability of safeguarding the liberation of the social group as well as not infringing on other's rights.

Rodney concludes that the perception of economic development from the bourgeoisie scholastic perspective is misleading due to the fact that their conception of development is shallow (Rotimi, 2013). Though, the concept development is most usually muddled with economic growth. The duo is not the same to a certain extent. Economic growth is determined exclusively based on yearly surge in per capita income or gross national product irrespective of its circulation as well as the extent of involvement of the individuals, development deals with improving upon the worth of output fashioned not certainly bargaining the wellness of the environment (Abuiyada, 2018).

In the words of Seers (cited in Ingham, 1993), development is predicated on three vital questions: what is happening to poverty? What is happening to unemployment? What is happening to inequality? If these variables are on the decrease, then there is said to be development in such a polity. But if those indicators are on the increase, that means there is underdevelopment. Then what is underdevelopment? *Underdevelopment*could be defined as a display of a dreadful economic condition (Udoka, 2005). Underdevelopment is a situation defined by life-threatening lack; inequality in the distribution of social services as well as formal schooling schemes, poor healthcare service delivery, in addition to poor portable water sources; inadequate amenities and poor governance capability; environmental and physical uncertainties (*Task Forces on Strengthening Multilateral Security Capacity*, 2009).

These indicators jointly resulted in entrapment in poverty, where poverty is inescapable, recurrent, and inflexible. The intermingling problems results in widespread backwardness and frailty, capable of impinging on the ability of the state to effectively discharge its roles while ensuring enduring development (*Task Forces on Strengthening Multilateral Security Capacity*, 2009). These as constituents of underdevelopment are elements of exploitation of one country by another, to which rentierism play key roles. Essentially, underdevelopment in emerging nation-states is propelled by the imperialist states, thus, guaranteeing the manipulation of the development of developing states such as Nigeria following the integration of Nigeria's economy into the world capitalist system.

Gunder Frank (in Valentine, 2013) asserted that, "underdevelopment is not simply non-development, but is a unique type of socio-economic structure brought about by the integration of society concerned into the sphere of the advanced capitalist countries. *Underdevelopment*remains at the core of insecurity". In view of the aforementioned, underdevelopment means an unequal state of economic relations between industrialised and developing nations through the incorporation of the developing economies into the world capitalist system, thus, placing them in **levels** below the expectation of clear indicators of development such as low real per capita income, persistent lack, lesser rate of literateness, abuse of human rights, low life span, as well as the mismanagement of funds and so forth.

On the other hand, where there is underdevelopment there is probability of insecurity, which indicates that underdevelopment and insecurity are parasites that one subsists on the other, basically, they are a bird of the same feather. Before delving in to define insecurity, let us first of all interrogate the concept of security. The concept of security is a fluid term that is largely defined within the context of state-centric and non-state-centric dimensions. Within the state-centric outlook of security, it is basically seen from the military (traditional) perspective which focuses on the fortification of boundaries of a State, essentially absence of war or the elimination of threats to states sovereignty.

For instance, Bellamy (1981:102) see "security" within the same point of view: "as a relative freedom from war, coupled with a relatively high expectation that defeat will not be a consequence of any war that should occur". While from the non-state-centric perspective security is beyond a militaristic conception. It touches other side of human lives. As McNamara (1968:149) buttressed that:

> In a modernising society, security means development. Security is not military hardware though it may include it; security is not a military force though it may have it; security is not traditional military activity; though it may encompass it; security is development, and without development, there can be no security.

From these aforementioned perspectives of security, what then is insecurity? Similar to development insecurity has no unanimously recognised definition, it suggests diverse things like: lack of protection; risk; danger; doubt; absence of safety, and absence of general wellbeing. According to Beland (2005) insecurity deals with a condition of anxiety or apprehension as a result of absence of safety. According to Achumba *et al* (2013) insecurity is the exposure to direct or indirect threat as well as risk of peril. Adeola and Oluyemi (2012) defined insecurity in two distinct perspectives. They defined it as a situation of being exposed to hazard or danger, where danger is the situation of becoming prone toward injury or hurt.

On the other hand, they see insecurity as exposure to threats or anxiety, where anxiety is indefinite unfriendly feelings witnessed in anticipation of ill-fated event. Insecurity is of different variants and can take the form of health insecurity, personal insecurity, economic insecurity, food security, political insecurity, economic insecurity, community insecurity, environmental insecurity and so on.

The paper is predicated on Rentier State Theory as advocated by Beblawi in 1987. The theory is hinged on two dominant theoretical approach concentrating on resource richness. The rentier state theory and the resource curse thesis-argued that countries that export are destructively affected by socioeconomic and political challenges (Mahler, 2010). According to the rentier state theory, the two central effects of dependence on economic rents are economic inefficiency and, as consequence, the obstruction of socio-economic development. With regard to the political effects, the rentier state theory proposes that oil rents have a stabilising effect on authoritarian rule.

Initially, based on empirical findings in the Middle East, the rentier state theory is acclaimed by its proponents to be universally valid. The theory attributes the linkages between oil rents and authoritarianism to the following causal mechanisms: Firstly, it is presumed that oil rent fosters the formation of patronage network, widespread clientelism, and favourite distributive policies, all of which lessen the pressure from the population to democratise and may additionally result in the depoliticisation of the society. Secondly, the abundance of revenues generated by the oil sector of the economy means that leaders do not need to unnecessarily tax the population.

This again may unburden the political elites of demands from the population for political participation and accountability on the part of the elites. The rentier state theory does not focus primarily on violence, but rather on the stability of authoritarian rule. However, as Ross and others illustrated, it can be assumed that resource wealth makes it easier for authoritarian rulers to use violence in the form of political repression, for example, because it enables the financing of a massive security apparatus (Ross cited in Mahler, 2010).

Even though there are limitless believe about the rentier state theory, it continues to be contested, many of the theoreticians appear to come to an agreement that rentier states showcase numerous characteristics. First of all, the inhabitants of these states are practically reliant on government in addition to communal structures since they solely determine the distribution of affluence. Thus, paving way for the intensification and protection of despotism. Next, the dependence on foreign rents compels the states to undertake noteworthy economic reforms and industrial development. The deficiency in creativity and resourcefulness is likely to foment misfortune for the upcoming age group (Guzowski, 2013).

Tax in rentier states increase principally from proceeds from oil revenues thereby to a large extent diminishing probity. Rentier state are usually confidential thus, hindering genuine discourse between the state and the populace (Castillo, 2021). A similar, rentier state theory assumption is the interconnection between oil and democracy. The theorists argued that, oil capital renders civilian government to flagrantly abuse democratic tenets. Additionally, it lay claim that the foremost effect of oil state is securing and guaranteeing despots and their cohort's supremacy, consequently, oil is likely to diminish republics by unsettling the democratic course, so erecting feeble and tainted establishments (Ouchenane, 2021).

The theory offered an explanation for the lack of democratisation and economic development in states that have access to unearned, externally-accrued income or rents. These rents functioned as a means for the incumbent regimes to hold on to power by co-opting opposition and dissident voices. Since the rents can cover the cost of the state's repressive capacity, the theory postulates that the state gains complete autonomy from its population through the accruement of rents. It furthermore, holds that the complete reliance on oil revenue for state expenditure relieves the state of pressure to develop reforms targeted at diversifying the economy (Luciani, cited in Wilmink, 2019).

To sum it up, Beblawi (cited in Adogamhe, 2009) recognises four vital features that determines a rentier state: (1) If rent conditions preponderate (2) If the economy depends substantially on outside rent and, then, do not need a robust national industrious subdivision (3) If only a minor percentage of the employed populace are truly engaged in the creation of the wealth; and, possibly of utmost significance, (4) The national regime is the prime beneficiary of the outward payment. The above categorisation fits the Nigerian situation. Nigeria as a rentier state is strongly supported by the fact that oil accounts for about 90% of Nigeria's exports and about 75% of consolidated budgetary revenues (World Bank, 2013).

As a rentier state, Nigeria tends to promote weak political and economic development anchored on neoliberal policies as exemplified by the recent removal of subsidy and the floating of the naira by the Tinubu led administration. The yearnings and aspirations of citizens is the provision of public goods to them, no any state can meet the aspiration of the populace with a battered economy. Executive will on the allocation and sharing of funds results concurrently into sophisticated higher echelons of government expenditure and bad rule in harmony with rentier state theory (Aidi, 2019).

The Niger-Delta militants, *Boko Haram* are good examples of oil conflict. The Niger-Delta region in addition to the Lake Chad Basin are endowed with large oil deposits and it is of utmost importance to the cartels engaged in oil illicit dealings, because of the political economy of oil, these regions were destabilised so as to facilitate the stealing of the oil by Multi-National Corporations in connivance with their local accomplices thus, fuelling instability. In relation to democratic consolidation, due to its rentier nature, over the last 40 years, Nigeria has struggled to consolidate democratic rule and it is struggling to maintain peace in almost all the federating states in the country.

Nigeria's Rentier State and the Praxis of Underdevelopment and Insecurity: An Exploration

The character of Nigeria's political economy which is heavily reliant on oil money, levies and royalties earned from Multi-National oil Corporations as well as pro?t from equity rewards in the businesses savings (Omeje, 2006). The emergence of a petroleum monoculture economy since the discovery of huge oil deposit and solely relying on oil for Nigerian foreign exchange earnings and state returns, allows the economy to grossly respond to market externalities and deters genuine growth and development initiated from within. The inability to spread to other sectors of the economy narrows its exportation base posing great challenge to economic prosperity initiatives (Lewis, 2006).

The danger of the rentier state comprises an extensive actions and recurrent outlook among the populace. For instance, majority of the Nigerian people seems to take oil proceeds that drops into government coffers as a means of fueling division—as it belongs to all and sundry and to no one consequently, entities demand and jostle in sharing the national cake, instead of generating their pay from been employed. Thus, affecting the relations between sweat and payment, the federal government is largely seen as income dispensing organ (Adogamhe, 2009) rather than agent of development and security. The dominance of oil revenue in the economy weakens the capacity of the federating units in Nigeria to source for alternative sources of revenue.

Nigeria is practicing feeding bottle federalism where the component units go to Abuja monthly cap in hand to collect allocations from the federation account have resulted in the neglect of agriculture and solid mineral sectors of the economy as well as reducing the capacity of the states to be innovative and competitive in revenue generation for independence thus, creating high level of poverty and unemployment and the crisis of youth bulge is contending with.

Similarly, Nigeria's ages of mining oil exacerbated the challenges of resource wars, bad service outputs, resource corruption, public relegation, decayed infrastructure and to make matters worse, ecological ruin thus, breeding despair and frustration in the Niger-Delta region Okowa (cited in Ereibi, 2011). The region becoming devastated due to pollution resulting in displacements due to land dilapidation and declining farming cost-effectiveness, with oil inducing communal clashes, with over 60% of youths migrated from their locality to urban areas consequently, resulting in vicious circle of insecurity (Ereibi, 2011).

The quest for cheap stolen oil propelled by corruption and economic sabotage necessitated insecurity in the Gulf of Guinea (GoG) causing maritime insecurity as a result of activities of pirates and oil bunkering activities spearheaded by the West in cohort with some militants in the Niger-Delta region has put the country in economic crisis. Oil theft have become albatross to the nation's economy as through prohibited mining and trafficking of crude oil, destruction of pipelines, and bunkering, ensuing significant income losses for Nigeria and ecological ruin. The pilfered oil is frequently refined in the neighborhood or retailed on the black market, steal substantial income that would have been developmental projects such as critical sectors of the economy and the delivery of societal amenities for the provision of good life to the citizenry.

Crude oil theft is not unfamiliar to countries endowed across the globe. An article available by the United Nation (UN) released in March 2022 discovered that oil is most stolen commodity worldwide, whereas fuel is the largest smuggled natural endowment at $133 billion annually (*Business Day*, 2023). For instance, Nigeria Extractive Industries Transparency Initiative (NEITI), revealed that N16. 25 trillion to crude oil was stolen from 2009 and 2020. Oil theft resulted in the declining rate of production from 2.51 million barrels daily in 2005 to 1.77 million barrels daily in 2020. The report further revealed that 619 million barrels of crude treasured at $46 billion was stolen within the time of review (*Premium Times*, 2023).

The nature of the Nigerian state makes it unable to develop a signi?cant industrial base and diversify her economy which is central to development. The dependence on revenue from natural resources causes sharp ups and downs in the economy and poses a signi?cant risk for a sustainable political and economic system in the medium to long term. The country's industrial base become eroded there by creating a condition of what scholars termed as Dutch Disease (Kaya, et al., 2019). The Dutch disease and variations in resource-exporting economies that are usually antagonistic to advancements. Momentarily, states witnessing oil boom witness a relative change on the charges on goods (for instance, building and amenities) escalate comparatively (for instance, cash crops and manufactured goods).

The upsurge in foreign exchange results in cheap cost of importation and depresses the cost of exportation. This produces incumbrances for investors in creative areas like agriculture and (non-oil) manufacturing, and consequently reducing their ability to compete favourably. The undercurrents of the Dutch disease are often related with price increases, spread of jamboree projects, fast-tracking development and criminality, and promoting fraud. This scenario depicts the Nigerian situation (Lewis, 2006). Today a dollar exchanges to a N1000, thereby raising the cost of importation of goods and services, food inflation and raising high cost of living for Nigerians. The economic woes and instability of the dollar rate has as well obligated several companies like Dunlop Tyres, Shell, Glaxo Smith Pharmaceuticals and so on to relocate to neighbouring countries.

Nigeria's experience with oil showcases an atrocious oxymoron by according massive affluence and income of benefaction to the rentier state as well as it cronies (Multinational Oil Companies) that serve as a means of desolation to host oil communities (Omeje, 2006). Thus, raising the fear of capture by the state in which the country's economy and means of support is at the mercy of the oil corporations with their vantage situation reinforced by the country's low level of expertise towards exploiting its oil reserve. Nigeria is agonisingly reliant on oil income certainly bank on overseas multinational companies for exploration of oil in line with their terms and conditions (Mbao & Osinibi, 2014).

This condition further put Nigerians into untold hardship as occasioned by the presence of moribund refineries in the country as a result of rising cost of fuel and energy. The Nigerian refineries are today obsolete and lack capacity to refine crude oil for domestic consumption and exports despite the standing of Nigeria as one of the leading producers of crude oil. Billions of dollars are wasted in the name of importation of fuel for domestic use and turn around maintenance of the moribund refineries for decades as well as payment of redundant staff without refining oil. Furthermore, notwithstanding record-high oil values in addition to unparalleled earning in oil returns, Nigeria is appraised among 15 most underprivileged nation-states globally.

Despotic military regimes in addition to the democratic ruling class forfeited Nigerian oil as surety in order to obtain billions of dollars of external loans with high interests. Till newly, Nigeria's debt profile was $42.7 billion. The complications associated with agonising poverty, environmental dilapidation, and backwardness accounted for the numerous destructive skirmishes across the entire Nigerian state. Hence, the unruly carnage widespread in countless areas in the country lessening the capability of the government to effectively administer (Adogamhe, 2009).

Nigeria's history is characterised by inconsistent stability as occasioned by intermittent violent unrests due to poor leadership coupled with unfathomable economic downturn that the country witnessed in the 1980's and 90's was associated with oil as the causative issue related to mishandling of the economy, high debt profile, in addition to dwindling prices of oil at the international market. The NBS data suggests that typical Niger Deltans are of the perception of being marginalised of the benefits associated with fiscal federalism while subjected to exposure of calamitous environmental as well as social bearings related with oil activities. The privileged are banking on their travesties through clandestineness in addition to financial benefits rather than industrial investment that will engineer development (Castillo, 2021).

Nigeria's rentier state reinvigorated discord among divides because the north is largely regarded as a parasite by the oil producing states and her people. It is argued that the north contributes little to the economy and depend on the proceeds from rent revenue for survival whereas bulk of such revenues are derived from the Niger-Delta region hence, resulting in the overheating of the polity and heightening the agitation for fiscal federalism and resource control thereby affecting social cohesion and nation building. This partly explains the clamour over the restructuring agitations by a cross section of Nigerians over time. Moreso, the rentier nature of the economy renders the nations economy susceptible to economic recession. During the Buhari administration the country went into recession twice with huge borrowing to finance budget deficit becoming the hallmark of the administration with it leaving behind a debt to the tune of over 77 trillion naira with inflation rate at 22% (*Vanguard,* 2023).

As corollary to the foregoing, the oil business engulfed cottage businesses (like groundnut pyramids, cotton, hide and skins, rubber, cocoa, and palm oil industries) that were hitherto the main financier of Nigeria's economy during the beginning of the 1960s. Nigerans owns and manage these cottage firms privately. The oil industry in Nigeria, similar to all other core oil-exporting states, does not require substantial labour force. So, it hires limited unqualified workforces because Nigeria is lagging among industrial nations. The oil industry, accounted for nearly 80% of the country's GDP, it is well partly accountable for the roof top level of joblessness. Hence, oil industry employees in Nigeria's comprises largely of outsiders whereas Nigerians constitute bulk of those employed in the federal and state employ with a sizable chunk of the population underemployed or completely out of work (Adogamhe, 2009).

During the wake of the oil boom, exportation from farm produce contracted as well as non-oil mining warped. Industrialisation speedily raised during the period, stimulated by colossal state funding and protective dealings. Then, nevertheless, decreasing proceeds, importation limitations, in addition to unpredictable reform nurtured the collapse of industries, rendering the country's exportation profile and changing the industrial sector in the last 30 years (Lewis, 2006). Nigeria's inability to effectively manage the proceeds accrues from oil in the power sector and other commanding heights of the economy have virtually crippled the manufacturing companies in the country due to high cost of operation.

The role of energy in the manufacturing sector of the economy as well as the development of small and medium enterprises cannot be overemphasised. The erratic power supply in the country due largely because of the lack of political will in addition to the system corruption as well as the connivance between the marketers of electricity generators have coalesced to impact negatively on the manufacturing sector of the economy. The epileptic power supply has compelled manufacturers to resort to the utilisation of diesel to power their factories. The instability of the price of diesel due to the variation in global prices in addition to non-refining of the product have compelled marketers to shut down many businesses resulting in the loss of means and livelihood of several citizens.

Dwindling prices of oil globally often produces macroeconomic volatility and, due to that, the administrations are inundated with unpredictable policies and service delivery as a result financial deficit. The budget relies wholly on rentier revenue, instigating Nigeria's socioeconomic and political woos due to unpredictability of the global market price of oil in the international market (Adogamhe, 2009). The nose-diving oil market resulted in economic underperformances, unpaid arrears of remuneration, in addition to worsening of indispensable services. The short fall were worsened by financial recklessness and sweeping corruption during the 1980s till date, so, the state of affairs was defined increase in budget limitations, uncertain public amenities, and persistent uncertainty (Lewis, 2006).

Yates (2015) further added that rather than instilling discipline through hard work, rentier economies pursue fast and short cut means of getting money, while expending unearned funds. The shortage in the budget accounted for poor budget implementation of below 60% that the country has been witnessing overtime as Ministries, Departments and Agencies (MDAs) are financially constrained hence, resulting in poor service delivery and failure to offer public goods to the electorates by the state. For instance, the 2023 budget deficient with over 10 trillion-naira deficit is threatening its implementation hence, forcing the Tinubu administration resorting to the path of the Buhari administration by borrowing \$1.95 billion in order to fund the deficit therefore, further deepening the crisis of debt trap that the country is already engulfed with. Nigeria is at the moment utilising 96.3% of its revenue in servicing her national debt.

Nigeria become deprived of strong state institutions leading to civil strife and chaos in the face of a big natural discovery instead of prosperity with absolutist political system and considerably limited participation of general populace in the political life (Kaya, et al., 2019). Resultantly, self-serving hegemonic elite, whose interests in rent seeking and prebendal accumulation determine a range of state policies, statutes and institutional practices (Omeje, 2006). The prebendal character of the Nigerian state offers the likelihoods whereby offices are usually taken by people as well as their cronies purposely to take advantage of it for their personal aggrandizement leading to official exploitation flourishing in Nigeria as government officials stockpile wealth at the disadvantage of the poor.

The nature of the state in Nigeria describes a morbid obsession by corrupt government officials to enrich themselves while neglecting the core issue of governance for national development and stability (Akinde, 2011). The morbid greed for materialism by the ruling class has brought about primitive accumulation of wealth. Nigerian government officials became fond of stealing from the public treasury resulting in crisis of governance and underdevelopment as stolen funds are stashed away in foreign banks in order to conceal their loot instead of channelling the resources for productive ventures in the economy. One area of impact of such stealing locally is the quest by the government officials to change their looted naira into dollars and other foreign hard currencies.

The hoarding and manipulation of the dollars by “economic cabals” is exerting unnecessary pressure on the dollar and causing scarcity of the dollars hence, resulting to monumental increase in the dollar rate that is causing steady rise in the prices of goods and services that Nigerians are currently facing. This is one of the reasons why the Buhari led administration decided to introduce the cashless policy as well as the naira redesign policy so as to reduce the influence of money bag politicians during the 2023 General Elections. The twin policies though laudable are not without unintended consequences on the overall economy and the citizens largely because of ill timing and the political undertone associated with the policy.

Instead of the policy to address the challenges of hoarding of the naira by the politicians and bureaucrats who stockpiled it, it ended up hurting the poor and the most vulnerable worse as several businesses crumbled. To further corroborate this assertion, Mahdavy (cited in Adogamhe, 2009) argued that the nature of a rentier economy can be used to describe the Nigerian condition. He noted that, in most rentier states, rents render government officials are shortsighted and averse to threats: on receipts of oil hefty payments, it renders them unreasonably positive about forthcoming proceeds and dedicates larger percentage of the proceeds to religiously maintain their social position rather than focusing on developing the country (Adogamhe, 2009).

The history of majority of military rulers in Nigeria, and the political governing elite as well as the civil servants displays the misappropriation of proceeds from oil and grand corruption in public corporations due to political benefaction and clannishness as they utilise proceeds from oil for regime survival. They convert the rentier coffers into their bank accounts in Swiss banks, and utilise the fund for vote buying, maintain their patrons thereby wasting a lot of resources on jamboree missions. The oil bonanza made government officials to rise state expenses by giving over-bloated contract sums, hence providing enabling room for kickbacks and several dubious means of swindling commonwealth without any value addition to the state (Adogamhe, 2009).

The rentier economy in Nigeria made the ruling governing elites not to be wary on how they appropriate tax payer's money on the one hand. On the other hand, the electorates are as well not keenly concerned on the manner they spend public funds owing to the fact that they do not pay tax thereby eroding good governance and accountability. The Nigerian ruling class have conspired in looting the treasury as they continue to device means and strategies of milking and sapping the blood of Nigerians as well as enjoying from the oil rents. For instance, most Governors in the country approved jumbo packages for themselves using their respective Houses of Assemblies. They as well found a New Haven in the Senate of the National of the Assembly where they as well enjoy double package at the expense of the tax payer's money.

The recent non-patronage of locally manufactured Sport Utility Vehicle (SUVs) and the choice of purchase of Toyota brand worth almost 160 million for each Senator by the leadership of the Senate calls to question the state of governance in the country in which Nigerans especially elected public officials patronising local home products and shows gross insensitivity on their part to the plight of common Nigerians. Moreso, the appointment of over 45 Ministers by the Ahmed Bola Tinubu administration triggered the cost of governance amidst dwindling revenue and the profligacy of the ruling class.

Moreso, is the manipulation of the tax collection and administration by politicians under the guise of tax waivers to wealthy Nigerians that are supposed to be tax heavily by the state so that the tax accruable from them can be utilised in improving on the lives of the citizenry. This ugly trend bleeds the country of humongous resources. The rentier economy renders the poor ineffective and lacking in capacity to demand for good governance by checkmating the activities of government officials, appointees and bureaucrats because they don't pay taxes and as such cannot demand for accountability and openness in the affairs of government.

Nigeria's rentier nature robs the state its ability to invest in consolidating its institutional capacity to control the actions of oil companies in ensuring the enforcement of good ecological preparation and pollution control, corporate social responsibility, in addition to settling compensation as a result of oil spillage and damages to the ecosystem (Omeje, 2006). Although the institutional burden of the rentier economy serves the whim and caprices of the governing class and multinationals corporations, rentier cash continue to impede different policies aimed at improving good governance and efficiency in service delivery.

The challenges associated with resource control, are topmost, service delivery, probity and macroeconomic firmness, stable growth, and the solidification of Nigeria's nascent democracy are all staring the country. One main consequences of rentier state are infrastructural disregard by the ruling class due to the roof top scale of corruption, the presence of local economy out of which mainly the revenue of the state is derived and a disarticulated economy (Agbo & Okoli, 2017). The infrastructural deficit or decay are occasioned by poor maintenance culture as well as corruption in the award of contract resulting into implementation of projects that don't stand the taste of time owing to poor execution as government officials collude with contractors to defraud the state thus depriving government officials of moral standing to effectively monitor and query shoddy job executed by the contractors. On the other hand, the people don't regard government provided facilities and amenities as their own. The lack of accepting ownership by the people leads to poor utilisation of the infrastructure and in some instances vandalising the infrastructure.

Nigeria's woos are almost similar with other backward states that are also grappling with the problems related to widespread unemployment and penury, fiscal inertia, pervasive sleaze, volatility, feeble establishments, and skirmishes are salient features of Less Developed Countries which Nigeria is inclusive (Lewis, 2006). Nigeria's overdependence on oil as the mainstay of the economy and its dependence on Multinational Oil Corporations has entrapped her economy and government. The rentier character of the economy significantly affects Nigeria's hybrid democracy by creating imbalances and injustice in the allocation of resources, moreover, the rent assisted in consolidating authoritarianism by the succeeding juntas, that fashioned an enclosed political system that portend danger to social cohesion and heightened national question along divides.

The dictatorial regulation and state guarded sharing of prosperity in Nigeria is shrouded with treachery, coupled with superior dealing with respect to Multi-National Corporations, and promoting the concentration of funds delivery using impartial means (Ouchenane, 2021). These developments further deepened the crisis of nationhood that the Nigerian state and people have been yearning for thus amplifying the national question by threatening the core foundation of Nigeria's existence as one indissoluble entity. The debt crisis in which Nigeria is using more than 90% of her revenue to service foreign debt, in addition to managing rising cost of living due to energy crisis and insecurity such as banditry, insurgency and farmers/pastoralist feud, unabated failing in the value of the naira against other foreign currencies, poverty in the midst of plenty joined with the leadership deficit exhibited by the ruling governing elites have coalesced to define the developmental challenges associated with Nigeria's rentier state.

Conclusion

This paper examined the challenges to Nigeria's development as it relates to its rentier economy. Nigeria's backwardness and inability to engender genuine development is as a result of the character and behaviour of the ruling governing elite to effectively utilise the proceeds from windfall of oil as exemplified by other countries such as Saudi Arabi and the United Arab Emirate (UAE) that harnessed proceeds from oil to develop other critical sectors of their economy and people. It argued that the Nigerian state is endowed with other mineral resources of global competition and demand. In addition to an endowed population that have been neglected by the leadership due to the rentier character of the state and the mindset of the ruling class that enjoy from it while forsaking the agricultural sector of the economy in addition to failing to invest massively toward diversifying the nation's economy into other vital sectors like mining, manufacturing and so forth.

The rentier nature of the Nigerian state has as well resulted in decay of institutions leading to the incapacitation of the state to effectively discharge her responsibilities resulting in the destabilisation of the polity. The judiciary is as well manipulated as justice is for the highest bidder with professionalism eroded as government become despotic resulting in dissents and state suppression; weakening of the Civil Service and the institutionalisation of jamboree projects that serve as conduit pipe for diverting rent, political transactional politics and prebendalism becoming the order of the day as appointments are seen as an avenue to settle political patronage instead of service to mankind. State resources are ultimately at the mercy of the comfort of the ruling class in order to fund their luxury as well as debts are incurred for selfish gains instead of national development due to the rentier nature of the Nigerian state.

In view of the foregoing, the paper recommends that:

i. The Nigerian government at both federal and the federating units must diversify their economy with a shift basically to the agricultural, mining, tourism and so on. Diversifying into these areas will enhance Nigeria's oil revenue, create employment, and provide sufficient foreign exchange needed for secure and strengthen the naira.

ii. The Nigerian ruling class should embrace good governance by focusing on poverty reduction measures through the creation of skills acquisition centers for training and retraining of the teeming youths.

iii. The Nigerian state should invest massively in the area of research and development. This can be achieved through massive investment in education for national development.

iv. The Nigerian state must deploy the utilisation of satellite technology in tracking ships smuggling stolen crude.

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